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CENTRAL INTELLIGENCE AGENCY
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DAILY DIGEST

Date: APR 16 1951

- NOTE:
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 2. Comments represent the preliminary views of the Office of Current Intelligence.
 3. Marginal letter indications are defined as follows:
 - "A" - items indicating Soviet-Communist intentions or capabilities
 - "B" - important regional developments not necessarily related to Soviet/communist intentions or capabilities
 - "C" - other information indicating trends and potential developments

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SECTION 1 (SOVIET)

"B" USSR. Jewish Refugees Allowed to Leave Manchuria for Israel. US ConGen Hong Kong reports that 29 Jewish refugees from Manchuria departed from Hong Kong on 13 April. The information was attained by a "useful and reliable source" who also stated that during the past 18 months over 2,000 persons have traveled from Manchuria to Israel, and that there are about 300 more to come. The source said that though some held Soviet passports, they are mostly just nominal Soviet citizens. One such refugee has a Soviet passport but had resided in China since 1922. (C Hong Kong 3012, 14 Apr 51). COMMENT: Several hundred White Russians, many of whom have had Soviet passports, have been permitted to leave China since the extension of Communist control over the mainland. The largest group of these refugees have been of Russian-Jewish descent, although the alleged total of 2,000 from Manchuria appears to be high. As it is known that certain of these refugees have previously been in the employ of Soviet enterprises in China, it is possible that some of them are Soviet agents of various kinds. However, most of the refugees from China apparently are regarded by the authorities as unassimilable, and of no particular value to the Communist cause. Such refugees are probably allowed to leave for the same reasons as pertained to the Jews that have left Eastern Europe.

"B" EASTERN EUROPE. ALBANIA. "Resistance Front" Reported. "An Albanian leader" who has been with a small resistance band in northern Albania has reportedly received an urgent invitation to meet with members of a "Resistance Front" in the regions of Shkoder and Kukes in northern Albania during mid-April 1951. The "Front" is also reported to be seeking contact with the Bloku Kombetar Independent (BKI), a right-wing organization of exiled Albanians backed by the Italian Government. The "Resistance Front" is described in the report as a strictly nationalist organization which is not oriented toward Tito. The "Front" is said to have a central committee in Tirana, subordinate committees in each commune, and a military staff having connections with nationalist bands throughout Albania. The organization is reportedly strongest in central Albania, and includes some prominent members of the government. COMMENT: This is the first report which definitely names a nationwide internal Albanian resistance organization. Previous reports have indicated the existence of a well-coordinated and well-supplied Albanian underground.

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"B" CZECHOSLOVAKIA. French Installations To Be Closed. According to the US Embassy in Praha, the French Ambassador to Czechoslovakia was handed two notes on 12 April by Deputy Foreign Minister Sekaninova (previously rumored as purged). The first note required France to close the three French cultural institutions located in Bratislava, Brno, and Praha. The second gave France until 26 April to close its Consulate-General in

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Bratislava and gave notice that the Czechoslovak Consulate in Marseilles was being closed. In retaliation, the French Ambassador has informed his American colleague that the Czechoslovak Consulate in Algiers and the Masaryk Institute in Paris would be closed. (C Praha 625 & 627, 13 and 14 Apr 51).

"A" HUNGARY-RUMANIA. Soviet Jets Observed. On 12 April the US Air Attache in Budapest personally observed 20 MIG-15's, 11 YAK-9's as well as 11 F-51's with clearly identifiable Soviet insignia at Budapest's Tokol airfield. (S AA Budapest K-289 (CAF IN: 73909) 13 Apr 51). Seven Soviet MIG-15 jet fighters have been seen at one time at Otopeni airfield near Bucharest, tending to confirm a previous estimate that a jet fighter unit is stationed there. Rumors of the arrival of additional jets are circulating in Bucharest and many more Soviet airmen are seen in the capital. In addition, an unconfirmed report indicates that a number of Soviet officers in Bucharest are wearing Rumanian uniforms. (C Bucharest 697, 13 Apr 51). COMMENT: The airfield at Otopeni is one of the three fields in Rumania at which Soviet Air Force fighter regiments are believed to be stationed. This report and the reliable report of the presence of jet fighters at a Soviet-occupied field in Hungary suggest the probable reequipping of Soviet fighter units in the southeast European area with jet planes. Such reequipping would follow the pattern set in the 24th Air Army in the Soviet zone of Germany, fighter units of which have been almost completely reequipped with jets.

"C" RUMANIA. Propaganda. The Rumanian regime is stepping up its hate campaign against the US and UK. The National Assembly at its recent session ending 7 April pledged "intensive work to unmask American and British imperialist aggressors." Simultaneously, the head of the Orthodox Church and the leaders of several other denominations issued similar statements. On 10 April the campaign for adherents for the peace pact appeal opened with new tirades against the US and UK. The press continued its charges that the US is sabotaging the Paris Four Power meeting. In a newspaper article on the real meaning of patriotism, which has recently occupied the attention of Rumanian publicists, Leontin Salajan, Army Chief of Staff, declared that present-day Rumanian patriotism is combined with proletarian internationalism and that to be a true Rumanian patriot means "to be on the side of the peoples of the world against the monsters of mankind -- the American and British imperialists." (C Bucharest 697, 13 Apr 51). COMMENT: Rumanian Communist leaders are now bent on exploiting the connotations of the term "patriotism" for their own ends, similar to the way in which they played upon the universal desire for peace to obtain a show of public sentiment in favor of Soviet propaganda pronouncements. So far, the campaign has focused on alleged misdeeds of American industrialists exploiting Rumanian resources in the period between World Wars I and II.

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"B" YUGOSLAVIA. Yugoslavs Believe Radio Operator's Defection in Praha Was Forced. US Ambassador Briggs reports that the Yugoslav Charge d'Affaires in Praha is convinced that the Yugoslav radio operator who the Czechoslovak government claims has sought asylum in Czechoslovakia was forcibly seized on Yugoslav Embassy property. The Charge's conviction is based on his personal estimate that the radio operator was one of the most reliable Embassy employees as well as on circumstantial evidence which indicated that the radio operator expected to return to Yugoslavia on 10 April in accordance with previous plans. Meantime, in a Politika editorial the Yugoslavs have charged that the Yugoslav employee was seized against his will and "subjected to the well-known treatment that leads to confession." Politika speculates that the radio operator may be used as a witness in a forthcoming trial to prove the existence of a plot "in the heart of Praha against the security of Czechoslovakia and of the mighty Soviet Union." (S Praha 626, 13 Apr 51; C Belgrade 1502, 13 Apr 51). COMMENT: The radio operator disappeared from the Yugoslav Embassy in Praha during the early morning hours of 31 March. It was not until 12 April that the Czechoslovak press and radio announced that he had requested asylum. The 12 days delay between the radio operator's disappearance and the Czechoslovak announcement suggests that his request for asylum was probably made under duress.

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SECTION 2 (EASTERN)

"B" SAUDI ARABIA/SYRIA. Saudi Arabian Indignation at Syrian Charges. US Ambassador Caffery in Cairo has been informed by Karim Tabet Pasha, the royal Press Counselor, that Egypt instigated the visit to Cairo of Lt. Col. Shishakli, Deputy Chief of Staff of the Syrian Army, to provide a "neutral ground" where Shishakli might meet Prince Feisal, Saudi Arabian Foreign Minister. According to Tabet, King Ibn Saud is thoroughly incensed over Syrian allegations that Saudi Arabia has financed assassination plots against Shishakli and King Abdullah of Jordan and has threatened to sever Saudi Arabian diplomatic relations with Syria unless Syria's position is clarified. Tabet said that the Feisal-Shishakli negotiations were "going well" and that only "one or two little points of the dispute were still left." (TS Cairo 1052, 13 Apr 51). COMMENT: In spite of the professed Saudi Arabian indignation at the Syrian charges, there has been some evidence in the past that Saudi Arabian representatives have taken more than passive interest in the internal affairs of Syria and Jordan.

"B" SYRIA. Parliamentary Vote of Confidence in Azm Government. The US Army Attache in Damascus reports that a Parliamentary vote of confidence in the al-Azm Government last week was won only because the Populists and Islamic Socialists abstained from voting. Though the Populist deputies reportedly could have defeated al-Azm by three votes, they abstained so as not to embarrass the Government while it attempted to settle the serious border dispute with Israel. This Populist show of strength, the Attache believes, seems to present the Army with the difficult choice of working again with the Populists after the border emergency is resolved, or of intervening more forcibly than heretofore in Government affairs. (S Damascus Joint Weeka 15, 13 Apr 51). COMMENT: The Attache's belief that the al-Azm Government remains in office because of the serious border trouble is supported by available data. Complementary to this interpretation of Populist motives in abstaining from the confidence vote, however, is former Prime Minister Qudsi's reported desire to avoid at present a Populist Party stand on all issues, and thus to leave his party free to choose its own issues later if new general elections should be indicated. In the event of new elections, which some observers consider inevitable unless the Army takes it upon itself to intervene forcibly in civil affairs, it is doubtful that Qudsi would permit the Azm Government to remain in office in a "caretaker" capacity. Experience has shown that a "caretaker" government in Syria would be capable of considerable manipulation of the vote.

"C" AUSTRALIA. Communists Tighten Party Organization. The Central Committee of the Australian Communist Party has ordered a review of its entire membership in Australia. The order states that there must be a thorough political-ideological examination of each Party organization and each

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Party member, and that members who fail to measure up to Party requirements must be removed from their posts and, if necessary, from the Party itself. (U FBID 13 Apr 51). COMMENT: The Communist Party is probably "girding its loins" in anticipation of renewed Government attempts to dissolve its organization and break its hold over key trade unions. Aside from its influence in the trade unions, Australian Communist Party strength has declined considerably in recent years.

"B" NEW ZEALAND. Seamen on Sympathy Strike with Dockers. The President of the Federated Seamen's Union announced on 11 April that seamen in all main ports of New Zealand would join the striking waterside workers in a sympathy strike. The seamen are to join the strike because of the Government's stringent anti-strike orders, which included outlawing the Waterside Workers Union and authorizing police interference with its meetings. The waterfront strike may force widespread shut-downs in industry. (R FBID 13 Apr 51). COMMENT: The strike has also affected compulsory military training. With officers supervising handling of cargo at strike-bound ports, sufficient cadres are apparently unavailable for training recruits and the Minister of Defense has announced that recruitment will be retarded.

"B" BURMA. Proposed Burmese Envoy to Peiping Considered Unfortunate Choice. The Burmese Government is contemplating extensive reassignments of its top diplomatic representatives. The most significant of these changes would be the transfer of Ambassador Myint Thein from Peiping to London and his replacement by Hla Maung, presently Burmese Ambassador to Thailand. US Embassy Rangoon comments that Hla Maung, a prominent Socialist politician, is critical of US Far Eastern policy and is neither competent nor objective. (S Rangoon 717, 14 Apr 51). COMMENT: The appointment of Hla Maung as Ambassador to Red China could have unfavorable consequences for Burma. It is questionable whether he is willing or able accurately to report and interpret Peiping's intentions with regard to Burma, which have recently become increasingly threatening.

"C" CHINA. CCAF Potential Against Hong Kong. According to the RAF in Hong Kong, the Chinese Communist Air Force (CCAF) consists of about 400 combat aircraft, including 100 light bombers and 250 fighter planes. The RAF estimates that if the whole of this force were concentrated in a 300-mile radius of Hong Kong, it could drop a maximum of 140-150 tons of bombs in any one day. Additional aircraft under Soviet control might be employed to defend Chinese air bases. The RAF states that the whole CCAF could be deployed in the 23 airfields located within a 300-mile radius of Hong Kong. The US Air Liaison Officer in Hong Kong considers this estimate of 23 serviceable airfields excessive, and believes that the British have exaggerated CCAF efficiency and bombing potential. (TS AIRLO Hong Kong CALHK 357E-51 11 Apr 51). COMMENT: The RAF estimate of CCAF strength is a little less than the US Air Force's current estimate which lists 440

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aircraft under Chinese Communist control and an additional 210 in Soviet-controlled units. The bulk of these aircraft are stationed in North China and Manchuria, rather than South China, where the CCAF is reported to be in training status only.

"C"

Soviet Troops at Changchun.

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Soviet mechanized divisions totalling 19,000 troops, plus a Soviet infantry regiment, arrived from Dairen at the end of February for maneuvers in the Changchun area and were billeted on the outskirts of Changchun as of mid-March. [REDACTED]

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[REDACTED] has reported the presence of some 10,000 Soviet troops in the Changchun area as of late January. The OGI Daily Digest of 14 April reported the assertion of another untested informant that 14 Soviet long-range heavy bombers had arrived Changchun in late March. None of these reports has been confirmed.

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KOREA. South Korean Reaction to MacArthur Issue. Ambassador Muccio reports that South Koreans, in private conversations, generally have expressed the conviction that only MacArthur would accomplish the unification of Korea. One editorial, echoing this opinion, stressed South Korean support for MacArthur's "positive" policy, which it contrasted with the "negative" policy of seeking to localize the war since the latter would result in greater Korean sacrifices in view of the Communist intention to fight to the end. (R Pusan 871, 16 Apr 51).

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JAPAN. Anxiety Relieved by Return of Dulles. Polad Sebald in Tokyo reports that the President's address of 11 April and the return of Mr. Dulles has substantially relieved Japanese anxiety over possible changes in US policy toward Japan resulting from General MacArthur's recall. Business circles, however, are expressing some concern because of the belief that (1) US-Japan economic cooperation may be retarded by the loss of personnel in GHQ (who assertedly pushed economic programs more than Washington) (2) GHQ policies may hereafter more closely reflect Washington opinion with less emphasis on "first-hand" knowledge of the Japanese situation, (3) a possible lull in the Korean War might cut down on US procurement orders, and (4) increased British influence on US policy might result in economic restrictions in the peace treaty. (U Tokyo 1800 13 Apr 51). COMMENT: Japanese economic circles are habitually pessimistic - in some cases a possible technique to influence US economic policy. No large-scale plan for changes of personnel within GHQ has been reported.

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SECTION 3 (WESTERN)

"C" WESTERN EUROPE. Reaction to Recall of MacArthur Generally Favorable. The non-Communist press of western Europe, which has given extensive coverage and editorial comment to the removal of MacArthur, has strongly approved of the action taken and has also exhibited a sense of relief. While paying tribute to MacArthur's past achievements, the press has termed the step necessary and has called it an act of courage and strength. It was also stated that the danger of an immediate conflict had been removed and a serious source of friction between Western Europe and the US eliminated. In Spain, however, local opinion has been sympathetic to MacArthur, although the necessity of the action is recognized to ensure the paramount importance of Europe rather than of the Far East. According to the Vatican's semi-official newspaper, Vatican circles have praised Truman's removal of MacArthur as concrete evidence of a "desire for peace". Communist and crypto-Communist press opinion, which has been continually anti-MacArthur, declared that the action was due to the pressure of world opinion and not to "Truman's love for peace". (U Rome 462, 12 Apr 51; U Paris 6165, 12 Apr 51; U Vienna 2312, 12 Apr 51; U Bern 1421, 12 Apr 51; U Brussels 1660, 12 Apr 51; C Madrid 923, 13 Apr 51; U Frankfurt 8289, 13 Apr 51; R FBIS [REDACTED])

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[REDACTED] COMMENT: Europeans will be heartened by Truman's action and will have greater confidence in the stability of US defense and other policies.

"A" FRANCE-INDOCHINA. French Government Continues to Play Down Possibility of Chinese Intervention in Indochina. In commenting on the recently reported incursion of a Chinese force into the northwest region of Vietnam, the French Foreign Office and Associated States Minister have stated that the military in Indochina have neither reported any contact with this force nor confirmed that it is Chinese Communist. Furthermore, these French officials believe that if the Chinese Communists intended to enter Indochina "in any force", they would probably do so in the Langson area (northeast of Hanoi). Embassy Paris concludes from these observations that the French Foreign Office "hopes and expects" that the incident will be passed over as a local matter, and does not plan to make an issue of it. (S Paris 6144, 12 Apr 51). COMMENT: US Legation Saigon reported its belief in late March that French policy was to play down any reference to Chinese Communist assistance for the Viet Minh and to ignore the issue of Chinese intervention as long as possible. The same report indicated that De Lattre hoped the improved military situation would make it possible for him to negotiate with the Chinese Communists for cessation of aid to the Viet Minh. Recently the US Consul in Hanoi expressed the conviction that De Lattre would continue his efforts to keep US observers "on

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the margin of events" from fear of what he considers US "Chinese-baiting" impulses.

"B" AUSTRIA. Purge of Communists in Police to be Dropped Temporarily. Interior Minister Helmer has informed US High Commissioner Donnelly in Vienna that he should not expect further overt action at present against the Communists in the Austrian police because of the current "tough" Soviet attitude in Austria. Helmer is particularly worried about the Soviet refusal to accept the dismissals of Communist police already ordered by the Austrian Government, a refusal which Helmer believes may indicate a trend toward the establishment of a separate Soviet zone police. Helmer also cited as evidence of the Soviets' "toughness": (1) their reopening of the denazification issue, (2) the renewed cases of abduction, and (3) the Soviet demands that two police officers in the Soviet zone be removed, that a Communist police chief, transferred to the provinces, be returned to Vienna, and that an Austrian gendarmerie school be evacuated. (S Vienna 2308, 12 Apr 51). COMMENT: The Austrian Government began efforts toward the end of March to effect a wide-scale purge of Communists initially in the Vienna administrative police at US instigation. The Soviet authorities have not only reacted vigorously to this action, but have seized the opportunity to bring countercharges against loyal Austrian police and to demand their removal. Austrian capitulation on this issue will demoralize the police force and result in a serious weakening of Austrian will to resist further Soviet demands.

"B" ITALY. Communists Intensify Drive to Detach Italy from NATO. In an obvious attempt to increase Italian Communist (PCI) prospects for success in the forthcoming municipal elections, Togliatti declared that by forsaking the NAT and remaining aloof from the East-West conflict Italy would avoid war. In his speech, designed to foster neutralist sentiment, he conceded that Italy "as a great nation" should have an army but demanded that the Government give socio-economic reforms and national reconstruction priority over rearmament. (U NY Times, 16 Apr 51). COMMENT: In view of the increasing support among Italians for NATO, Communist efforts to appeal to neutrality-minded elements are not likely to have much success unless the Far East situation deteriorates. In such an eventuality, heavier UN military commitments in Korea would be interpreted by Italians as a relegation of the defense of western Europe to a secondary position and would thereby considerably enhance PCI prospects for neutralizing Italy's participation in NATO.

"C" BOLIVIA. Demonstrations Protest Paz Estenssoro's Delay. Bolivian Police have arrested 81 members of the Movimiento Nacionalista Revolucionario (MNR) and 18 Communists for their part in the 14 April demonstrations protesting the delay in Paz Estenssoro's return.

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(See OGI Daily Digest, 4 Apr 51) (It was reported that 20,000 persons gathered in La Paz to greet Paz.) Police said they denied Paz entry because the Bolivian President feared an assassination attempt on Paz. The Minister of Government said that the administration was taking only "simple precautions for the maintenance of public order" and that it did not intend to impose a state of siege or postpone the 6 May presidential elections.

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U La Prensa (NY), 16 Apr 51).
COMMENT: The Government may have to impose a state of siege if within the near future it does not clarify Paz' status as the MNR presidential candidate. In addition to Paz' being denied entry into Bolivia, there is some doubt concerning his eligibility because he failed to register in La Paz thirty days before the date of elections. If it appears that Paz will be prevented from running, the MNR may well resort to revolutionary activity. The Government is holding police and army units in readiness to cope with further disorders.

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OFFICE OF CURRENT INTELLIGENCE
DAILY DIGEST OF SIGNIFICANT S/S CABLES

16 April 1951

SECTION 2 (EASTERN)

- "B" GREECE. Reported Greek Proposal to Partition Albania clarified. US Ambassador Peurifoy reports that Prime Minister Venizelos has explained the reported Greek-Yugoslav plan to partition Albania. According to Venizelos when queried on 3 April by the Yugoslav Minister in Athens on Greek action if war were to break out in the Balkans, he had suggested that the two countries should protect their rear by simultaneous offensives against Albania. Venizelos explained that his remarks applied exclusively to military tactics in the event of a Soviet initiated war in the Balkans. He emphasized that he had not intended any reference to political partition of Albania or to military action initiated by Greece or Yugoslavia. Ambassador Peurifoy also reports that Sulzberger of the New York Times believes strongly that Yugoslavia now wishes at least a basic military understanding with Greece and Turkey. According to Sulzberger, Yugoslav politburo member Djilas had expressed the opinion that the three countries should now agree on what forces they would put into the field in the event of war in the Balkans, but had made no suggestion as to where or by whom the subject should be discussed. (TS S/S Athens 3375, 10 Apr 51). COMMENT: Aware that an independent Yugoslavia hinders any successful Soviet-inspired invasion of Greece from the north, the Greeks have consistently supported Western efforts to tie Tito more closely to the West. Up until the present the Yugoslavs, however, have resisted any Greek overtures regarding military cooperation. The current Yugoslav reaction may be caused by heightened concern over the possibility of military action against her by the Cominform nations. Venizelos' explanation of his proposal concerning Albania is probably correct, since Greece is fully aware of the dangers implicit in any intervention in Albania at present and of the opposition any such proposed intervention would encounter from the US as well as from the Yugoslav Government.
- "C" JAPAN. US to Assume Occupation Costs. A proposed press statement to be released by SCAP about 25 April will announce that, effective 1 July 1951, the US plans to pay dollars for a substantial portion of the cost to Japan of maintenance of US occupation forces in that country. These costs include rental of buildings, freight and port charges, local labor, maintenance of real estate, utilities, coal and other services. Since the

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occupation forces provide security for Japan, the latter will continue to pay for a portion of the costs of occupation. US aid probably can be terminated later this year. (S S/S 6889, 12 Apr 51). COMMENT: Net financial gain to Japan will be small, since the termination of US aid will just about offset the dollars received for occupation expenses. However, the Japanese will welcome this new arrangement since it will give them full control over the use of the dollars earned, and provide them with the illusion, at least, of being self-supporting.

SECTION 3 (WESTERN)

"C" FRANCE-BELGIUM. Current Belgian Trade Controls Permit Rail Shipment to China. According to the French Foreign Office, there is "no adequate basis" for a French request to the Belgian Government to block the shipment of steel rails now en route through Belgium to Communist China (See OCI Daily Digest, 7 Apr 51), and in any event there is no Belgian legislation to stop such transit shipments. Chinese agents are now offering French suppliers large sums in US or Swiss currency for railway materials, but recent French regulations prohibit such transactions, and all applications are to be reviewed to guard against future transshipments. (S S/S Paris 6208, 13 Apr 51). COMMENT: Belgian officials have in the past cooperated in export controls to the full extent permitted by existing legislation, but no change in Belgian regulations to prevent critical transshipments is apparently under discussion. The French have been tightening their controls considerably in recent months, although they may be doing so with reservations in view of a recently reported proposal of the French delegation at the Paris Deputies' Conference to seek trade "normalization" even if the Foreign Ministers' Conference fails.

"B" UNITED KINGDOM. Cabinet Dislikes Present Pacific Pact Proposals But Urges Early Agreement. A UK Cabinet Minister has stated to Embassy London that the UK, though having serious reservations about the US proposals for a Pacific Pact, is anxious not to appear to be delaying the negotiations. He implied that in the circumstances the UK favors obtaining at least an informal Australian commitment before the Australian elections, lest a possible Labor victory there bring "the unpredictable Evatt" back to the External Affairs Ministry. The UK Cabinet doubts regarding the Pact arise in part from the prospective inclusion of the Philippines, which might, in the British view, at least delay "absolutely vital" Australian and New Zealand troop contributions to the Middle East by creating an obligation to contribute to Philippine defense. The British further believe that the inclusion of the Philippines would have a negative effect on Asian opinion, where the Philippines are regarded as US satellites, and would reinforce the conclusion that the Pact is a "white man's club". Some Cabinet members also consider that the Conservative Party could make great political capital out of a Far Eastern pact not including the UK. (TS S/S London 5423, 13 Apr 51). COMMENT: Partly as a result of specific Australian pressure, the UK appears

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to believe that some sort of Pacific security arrangement, with or without the UK, is a pre-requisite to conclusion of the Japanese Peace Treaty with Australian and New Zealand concurrence. But the UK has serious misgivings about defense pact proposals which in its view neglect Southeast Asia, which is regarded by the UK as the vital strategic area, and would further reinforce Indian objections to a defense pact in the Far East. The UK is also probably concerned by the tendency of Australia and New Zealand to orient themselves toward the US.

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